

HOUSE BILL 1233

Q3

11r2950

By: **Delegate Frick**

Introduced and read first time: February 21, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Withholding Statements – Electronic Submission**

3 FOR the purpose of altering the number of statements that certain payors of amounts
4 subject to income tax withholding must be required to submit for purposes of a
5 requirement that certain statements be submitted electronically; repealing an
6 obsolete provision; and generally relating to a requirement to submit certain
7 statements in a certain manner.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 10–911
11 Annotated Code of Maryland
12 (2010 Replacement Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 10–911.

17 (a) Each employer or payor required under § 10–906 of this subtitle to
18 withhold income tax for an employee or a person who receives a payment subject to
19 withholding shall prepare a statement that shows for the previous calendar year:

20 (1) the name of the employer or payor;

21 (2) the name of the employee or person who receives the payment
22 subject to withholding;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) the total amount that the employer paid to the employee as wages
2 or the total amount that the payor has paid to the person;

3 (4) the total amount of tips that the employee reported;

4 (5) the total amount of income tax that has been withheld under this
5 subtitle;

6 (6) any amount by which income tax required to be withheld on tips
7 exceeds the other net wages paid to the employee; and

8 (7) any other information that the Comptroller requires by regulation.

9 (b) An employer or payor of a payment subject to withholding shall:

10 (1) provide 2 copies of the statement required under subsection (a) of
11 this section to the employee or person who receives a payment subject to withholding
12 on or before January 31 of each year; and

13 (2) submit 1 copy of the statement to the Comptroller on or before
14 February 28 of each year.

15 (c) (1) Except as provided in paragraph (2) of this subsection, an employer
16 or payor shall submit statements required under subsection (a) of this section on
17 magnetic media or in other machine-readable or electronic format that the
18 Comptroller requires by regulation, if:

19 (i) the total number of statements of that statement type that
20 the employer or payor is required to submit equals or exceeds[:

21 1. 150 for calendar year 2006; or

22 2. 100 for a calendar year beginning after December 31,
23 2006] **25**; or

24 (ii) a lower threshold applies for federal income tax purposes.

25 (2) The Comptroller:

26 (i) shall adopt regulations to provide a process for an employer
27 or payor that is required to submit statements on magnetic media or in other
28 machine-readable or electronic format under paragraph (1) of this subsection to
29 request a waiver from the requirement; and

30 (ii) may waive the requirement that an employer or payor
31 submit statements on magnetic media or in other machine-readable or electronic

1 format under paragraph (1) of this subsection if the Comptroller determines that the
2 requirement will result in undue hardship to the employer or payor.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2011.